



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

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GOVERNOR

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STATE TREASURER

DATE: November 29, 2016

TO: Members of the State Tax Commission

FROM: Heather S. Frick, Executive Director

SUBJECT: System Economic Factors for the 2017 Year

In 2014, the State Tax Commission entered into a settlement agreement regarding the development of system economic factors for the electric distribution cooperatives. This agreement required the adoption of a new methodology for determination of the factors for a three year trial period beginning with the 2014 year. Pursuant to the settlement agreement, beginning with the 2017 tax year, staff reviewed the system economic factors and applicable statutes and recommends the new methodology be utilized to develop the system economic factors for the 2017 tax year.

Staff has calculated the factors using this new methodology and recommends adoption of the following factors for the 2017 year:

Cherryland	85
Tri County	79
Great Lakes	79
Midwest	88
Ontonagon	65
Thumb	75
Cloverland	90
Presque Isle	69
Bayfield	67
Alger Delta	71